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High Commissioner Donnelly in Vienna reports that the Vienna police disciplinary board has upheld the suspension of the five Communist police chiefs in the Soviet sector of Vienna, in disregard of Soviet Commandant Sviridov's insistence that changes in the Soviet sector police cannot be made without the approval of the Soviet military authorities. Donnelly adds that four of the police chiefs who were civil service appointees have been directed to appear for a hearing around 16 November, and their pay has already been cut to two-thirds of normal. The fifth police chief, who was hired on a contract basis, will be dismissed outright after the other cases have been settled.

(CIA Comment: In the past, Soviet authorities have often backed down on issues similar to the police problem when confronted with vigorous Austrian resistance. Although there is no firm evidence to indicate whether the USSR will maintain its intransigent attitude on this issue in the face of official Austrian and Western protests.

suggests that the USSR may be seeking a way out of the impasse without too great a loss of prestige.)

2. GERMANY: Increased coal shipments urged for Berlin--US representatives in Berlin urge that the West German Government reverse its recent policy of cutting coal shipments to Berlin, a policy adopted because of the serious coal shortage in West Germany. The US representatives point out that only Berlin's current consumption requirements are being satisfied by present coal shipments, leaving nothing for stockpiling; they recommend that the West German Government be urged to allocate during December and January 344,000 tons of coal for Berlin over and above Berlin's current consumption.

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STATE review(s) completed.

Approved For Release 2003/05/28 : CIA-RDP78-01617A006100020042-3

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(CIA Comment: The cut in the Berlin coal shipments could have serious consequences during the approaching winter, especially if the USSR decides to interfere with transportation and communications.)

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3. INDOCHINA: <u>UK urges French concessions</u>—US Embassy Paris reports that the UK High Commissioner for Southeast Asia, MacDonald, has unofficially expressed to high French officials the view that: (a) the development of a native Indochinese army under native command should take place "as rapidly as possible"; and (b) the French should publicize present concessions to Indochina and publicly promise fuller independence than now envisaged under the Franco-Viet agreements. MacDonald stressed the "beneficial effects" the proposed "independence statement" would have in swinging the governments of Burma, India, and Pakistan toward recognition of Bao Dai.

French views on appeal to UN--US Embassy London reports that a French Embassy officer has informed the UK Foreign Office of "increasing evidence" of Chinese Communist participation in hostilities in Indochina, and tentatively presented the view that the "only practical solution" in Indochina would be through the UN since the conflict there was "becoming an international issue." In this connection, US Legation Saigon reports that the French Minister of Associated States, Letourneau, recently declared at a press conference that no "tangible evidence" of Sino-Viet Minh collaboration had appeared during recent operations, although it was "unquestionable" that such collaboration existed. Letourneau added that although no appeal to the UN was contemplated at present, the Viet Minh is only a part of the force attacking democracies all over the world and a UN appeal "may some day be necessary" if the situation in Indochina is aggravated.

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(CIA Comment: CIA believes: (a) France does not at present contemplate an appeal to the UN; and (b) France will make no such appeal unless the military situation in		
Indochina threatens to become untenable.)	25X	